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Attorneys for Jill H. Ford, Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

TEODORA CUPES

Debtors.

JILL H. FORD, Chapter 7 Trustee,

Plaintiff,

vs.

LIVIU ILIOI and KETTY HUANG

Defendants.

(Chapter 7 Case)

No. 2:09-bk-33125-GBN

Adv. No. 2:10-AP-01119-GBN

COMPLAINT FOR TURNOVER

Jill H. Ford, Plaintiff and Trustee herein, by and through undersigned counsel, on behalf of the Estate against the above defendants, Liviu Ilioi and Ketty Huang ("Defendants"), states as follows:

1. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 541 and 542. This proceeding arises in and is related to the proceeding commenced by the Debtors under Chapter 7 of the United States Bankruptcy Code. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(E).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. On December 23, 2009, (the "Petition Date"), Teodora Cupes ("Debtor") filed for Chapter 7 relief in the United States Bankruptcy Court for the District of Arizona (Phoenix, Division).

1 4. Jill H. Ford was appointed as the Trustee of the Chapter 7 Estate (hereinafter "Plaintiff" or
2 "Trustee").

3 5. On or about May 22, 2008, Defendants executed and delivered to Debtor, an Unsecured
4 Promissory Note in the original amount of \$6,000.00, (hereafter "\$6k Note"). Plaintiff is now the
5 holder of the Note, a copy of which is attached hereto and incorporated herein as Exhibit "A."

6 6. The \$6k Note called for interest of \$800.00 with the full amount due and payable August 5,
7 2008.

8 7. The stated interest rate is \$800 for three months on the \$6k Note, and so Trustee asserts that
9 the imputed interest rate is as high as 53% per annum.

10 8. On or about May 22, 2008, Defendants executed and delivered to Debtors, an Unsecured
11 Promissory Note in the original amount of \$10,000.00, (hereafter "\$10k Note"). Plaintiff is now the
12 holder of the Note, a copy of which is attached hereto and incorporated herein as Exhibit "B."

13 9. The \$10k Note called for interest of \$800.00 on the \$10k Note, with the full amount due
14 and payable August 5, 2008.

15 10. The stated interest rate is \$800 for three months, and so Trustee asserts that the imputed
16 interest rate is as high as 32% per annum.

17 11. Notwithstanding maturity of the \$6k Note and the \$10k Note, and demand, Defendants have
18 failed to pay the indebtedness.

19 12. On information and belief, the debt owed to Debtor by Defendants is matured and payable
20 on demand, and thus constitutes property of the Estate pursuant to 11 U.S.C. § 541.

21 13. Pursuant to 11 U.S.C. §542, Plaintiff is entitled to an order of this Court requiring Defendants
22 to turnover all such monies to Plaintiff.

23 14. The debt owed by Defendants to Debtors arises out of contract, and Plaintiff is entitled to her
24 reasonable attorneys' fees incurred in the collection of the indebtedness pursuant to A.R.S. §12-341.01.

25 15. Trustee is entitled to recovery of her costs pursuant to A.R.S. §12-341.

26 **16. In event of default, Trustee requests judgment of \$16,000.00 plus interest of \$1,600.00,**
27 **through August 5, 2008, plus continuing interest of 10% per annum on \$16,000 from August 8,**
28

1 2008 until paid; plus attorneys' fees of \$1,000.00; plus costs of \$250.00, with interest accruing until
2 paid.

3 WHEREFORE, Plaintiff prays:

- 4 A. For judgment against Defendants in the amount of \$6,000.00 as Principal due under the \$6k
5 Note;
- 6 B. For judgment against Defendants in the amount of \$10,000.00 as Principal due under the
7 \$10k Note.
- 8 C. For judgment for interest of \$1,600.00 through August 5, 2008;
- 9 D. For judgment for interest on the \$16,000.00 at the highest rate permitted by law from
10 August 5, 2008 through the entry of judgment;
- 11 E. For interest at the highest rate of law from entry of judgment until paid.
- 12 F. For Plaintiff's attorneys' fees and costs, in the event of default \$1,000 for fees and \$250.00
13 for costs;
- 14 G. For judgment directing turnover of the amounts determined due above, under 11 U.S.C. §
15 542; and
- 16 H. For such other and further relief as the Court may deem just and appropriate.

17 RESPECTFULLY SUBMITTED this 18th day of June, 2010.

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19 LANE & NACH, P.C.

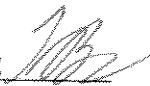
20 By /s/ Lisa Perry Banen - 013622 
21 Lisa Perry Banen
22 Attorney for the Trustee
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EXHIBIT A

Unsecured Promissory Note

\$6,000.00

Scottsdale, AZ

May 22, 2008

FOR VALUE RECEIVED, Ketty Huang and Liviu Ilioi (hereafter, "Maker"), an individual, promise to pay Teodora Cupes, an individual (hereafter, "Holder"), at 6325 East Shea Blvd. Scottsdale, AZ 85254, or at such other place as Holder hereof may from time to time designate in writing, the principal sum of Six Thousand Dollars (\$6,000), with interest accruing on the unpaid principal of \$800 from May 05, 2008 until August 05, 2008. The aforementioned principal sum represents monies owed to Teodora Cupes to be used for business purposes.

PAYMENT OF INTEREST. The unpaid principal amount of this Note shall accrue a fixed total interest and points of \$800 for the three month loan to be paid on August 5, 2008, a total (principal and interest) of \$6,800.

This Promissory Note may, in whole or in part, be prepaid without penalty before the maturity date hereof by paying due balance of \$6,800. There will be no discount given for early payment.

Should Maker default under or otherwise breach this Promissory Note and not cure said default or breach on or before the tenth (10 day) post August 05, 2008, Holder shall initiate court action. No delay or failure in giving notice of said default or breach shall constitute a waiver of the right of Holder to exercise said right in the event of a subsequent or continuing default or breach. Furthermore, in the event of such default or breach, Maker promises to pay Holder all collection and/or litigation costs incurred, including attorney fees and court costs, whether judgment is rendered or not.

This Promissory Note has been entered into and shall be performed in Maricopa County, AZ, and shall be construed in accordance with the laws of Arizona State and any applicable federal statutes or regulations of the United States. Any claims or disputes concerning this Note shall, at the sole election of Holder, be adjudicated in Maricopa, AZ.

In agreement:

Maker, Ketty Huang, 1040 Heathrow Drive, Hendersonville, TN 37075

Maker, Liviu Ilioi, 5100 North 24th Street, Phoenix, AZ 85016



Holder, Teodora Cupes, 6325 East Shea Blvd. Scottsdale, AZ 85254

Unsecured Promissory Note

\$6,000.00

Scottsdale, AZ

May 22, 2008

TO HAVE AND TO RECEIVE: Kelly Huang and from this hereafter, "Maker", an individual, promise to pay Teodorat Cupes, an individual hereafter, "Holder", at 6325 East Shea Blvd., Scottsdale, AZ 85254, or at such other place as Holder hereof may from time to time designate in writing, the principal sum of Six Thousand Dollars (\$6,000.00) with interest accruing on the unpaid principal of \$6,000 from May 05, 2008 until August 01, 2008. The aforementioned principal sum represents amount owed to Teodorat Cupes to be used for business purposes.

PAYMENT OF INTEREST: The unpaid principal amount of this

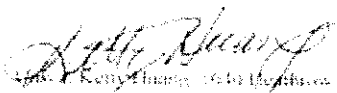
Note shall accrue interest at the rate of 8% per annum to be paid on August 01, 2008, a total principal and interest of \$6,800.


This Promissory Note may, in whole or in part, be prepaid without penalty before the maturity date by paying the balance of \$6,800. There will be no discount given for early payment.

Should Maker default under or otherwise breach this Promissory Note and not cure said default or breach on or before the tenth (10) day post August 01, 2008, Holder shall initiate court action. No delay or failure in giving notice of said default or breach shall constitute a waiver of the right of Holder to exercise said right in the event of a subsequent or continuing default or breach. Furthermore, in the event of such default or breach, Maker promises to pay Holder all collection and/or litigation costs incurred, including attorney fees and court costs, whether judgment is rendered or not.

This Promissory Note has been entered into and shall be performed in Maricopa County, AZ, and shall be construed in accordance with the laws of Arizona State and any applicable federal statutes or regulations of the United States. Any claims or disputes concerning this Note shall, in the sole election of Holder, be adjudicated in Maricopa, AZ.

In agreement

 5/22/08
Kelly Huang, 1616 Jefferson Drive, Hendersonville, TN 37075

 05/22/2008
Maker: Teodorat Cupes, 1901 North 24 Street, Phoenix, AZ 85016

Holder: Teodorat Cupes, 6325 East Shea Blvd., Scottsdale, AZ 85254

EXHIBIT B

Unsecured Promissory Note

\$10,000.00

Scottsdale, AZ

May 7, 2008

FOR VALUE RECEIVED, Ketty Huang and Evelyn Hsu (hereafter, "Maker"), an individual, promise to pay Leodora Copes, an individual (hereafter, "Holder"), at 6125 East Shea Blvd., Scottsdale, AZ 85251, or at such other place as Holder hereof may from time to time designate in writing, the principal sum of Four Thousand Dollars (\$4,000.00), with interest accruing on the unpaid principal of \$800 from May 05, 2008 until August 05, 2008. The abovementioned principal sum represent amount owed to Leodora Copes to be used for business purposes.


PAYMENT OF INTEREST: The unpaid principal amount of this Note shall accrue interest of \$800 for the three month term to be paid on August 5, 2008, a total principal and interest of \$4,800.

This Promissory Note may, in whole or in part, be prepaid without penalty before the maturity date hereof by paying the balance of \$4,800. There will be no discount given for early payment.

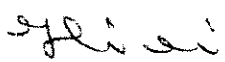
Should Maker default under or otherwise breach this Promissory Note and not cure said default or breach on or before the tenth (10) day (post) August 05, 2008, Holder shall initiate court action. No delay or failure in giving notice of, and default or breach shall constitute a waiver of the right of Holder to exercise said right in the event of a subsequent or continuing default or breach. Furthermore, in the event of such default or breach, Maker promises to pay Holder all collection and/or litigation costs incurred, including attorney fees and court costs, whether judgment is rendered for or not.

This Promissory Note has been entered into and shall be performed in Maricopa County, AZ, and shall be construed in accordance with the laws of Arizona State and any applicable federal statutes or regulations of the United States. Any claims or disputes concerning this Note shall, at the sole election of Holder, be adjudicated in Maricopa, AZ.

In agreement:


 5/8/2008
Maker: Ketty Huang, 1010 Highland Drive, Hendersonville, TN 37075

(615) 822-6411

 05/05/2008

(615) 482-6118 all

Maker: Evelyn Hsu, 2400 South 24th Street, Phoenix, AZ 85016


Holder: Leodora Copes, 6125 East Shea Blvd., Scottsdale, AZ 85251